GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1125
ANSWERED ON:23.11.2001
NON-BANKING FINANCE COMPANIES
YEMPARALA VENKATESWARA RAO

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is reducing the upper sealing of the deposit rates of non-banking finance companies;

(b) if so, the details thereof; and

(c) the number of times this has been reduced during the last two years ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a), (b) & (c) :- The interest rate payable on public deposits accepted by Non-Banking Financial Companies (other than Residuary Non-Banking Companies) and the deposits accepted by the Nidhi and Chit Fund Companies, was reduced by
(i) 2% from 16% per annum to 14% per annum on 31.3.2001 effective from 1.4.2001 and
(ii) by 1.5% from 14% per annum to 12.5% per annum on 31.10.2001 effective from 1.11.2001. The new rates have been made applicable only to fresh deposits and renewal of existing deposits on and from 1.11.2001.